

CLOSED SCHOOL LOAN DISCHARGES (FEDERAL LOANS)

July 25, 2023

CLOSURE – HUSSIAN COLLEGE (OPEID: 00746900)

- **Locations:**
 - Philadelphia, PA
 - Los Angeles, CA
 - Nashville, TN; Murfreesboro, TN; Clarkesville, TN
 - Columbus, OH
- **Closure Date for Loan Discharge Purposes: 5/26/23**

CLOSED SCHOOL LOAN DISCHARGES

Criteria:

You may be eligible for a full discharge of your [William D. Ford Federal Direct Loan \(Direct Loan\)](#) Program loans, [Federal Family Education Loan \(FFEL\)](#) Program loans, or [Federal Perkins Loans](#) received to attend a school if you were unable to complete your program because your school closed, and if

- you were enrolled when your school closed;
- you were on an approved leave of absence when your school closed;
- your school closed within 180 days after you withdrew.

INELIGIBLE FOR LOAN DISCHARGE

Your federal loans will not be discharged if:

- You graduated or completed your program at the closed school.
- You withdrew more than 180 days before the school closed, unless you can demonstrate an exceptional circumstance.
- You're completing or have graduated from a teach-out agreement at another school approved by the school's accrediting agency and, if applicable, the school's state authorizing agency.
- You're completing or have graduated from a program of study at a different branch or location of the school that closed.

Private loans and cash payments are not covered under loan discharges, the Department has no jurisdiction.

PROCESS FOR A LOAN DISCHARGE

The loan servicer automatically sends students who attended a closed school a loan discharge application, typically within 30 days of the closure. You must complete the application and submit it to your loan servicer.

Or:

You may go directly to the **Forms Library** on studentaid.gov to get the loan discharge application -- <https://studentaid.gov/forms-library/>

Parents can also apply for a loan discharge of their Plus loans (use students dates of attendance)

To find out who your loan servicer is, call the Federal Student Aid Information Center (FSAIC) at 1-800-433-3243 or look on your Federal Student Aid Account Dashboard / My Loan Servicers

WHAT HAPPENS WHEN A LOAN IS DISCHARGED?

- Payments that were made on the loan are refunded to the student
- Loan is cancelled / written off
- Credit Line is deleted on credit report as if the loan never existed

Timeframe for entire process: approximately 60-90 days

WHO PAYS FOR DISCHARGED LOANS?

The Department will establish a liability against the closed school for loans that are discharged.

AUTOMATIC CLOSED SCHOOL LOAN DISCHARGES

For students who meet the eligibility requirements and attended a school that closes prior to July 1, 2023, the student will generally receive an automatic closed school discharge **three years** after the date ED establishes as the school's official closure date. This discharge will be initiated by ED, and you will be notified by your loan servicer.

*For school closures that occur after July 1, 2023, automatic loan discharges occur 1 year after the closure date

STUDENT RECORDS / TRANSCRIPTS

The Department does not collect any student records from schools, including student transcripts. Typically, the state agency can provide students with information on how to obtain a transcript.

****Hussian students may request transcripts at transitionportal@hussiancollege.edu**

or contact Aaron Paxton at 512-993-9683

****new information**

ANY QUESTIONS?

